

MS. KENYON: I don't think that's going to happen.

COMMISSIONER ORNQUIST: Right.

CHAIRMAN COTTEN: Well,.....

COMMISSIONER COOK: Yeah. It seemed to me, at least what I thought we were going to do is give Staff the opportunity to see the next report that's coming out in apparently early January. I see Jimmy shaking his head back there.

MR. JACKSON: The next report would be for year end of '97 data. And the filing schedule, I can't swear to you without checking it. It's at least 30 days, but I think it may be at the end of the quarter, but I'm not -- I can't be certain about what -- you know, it takes us sometime to get the data together after December 31, '97. And it's either 30 or 60 or 90 days after the end of the quarter before it would be filed. And as was alluded to before, we've got about 20 stations which have only been interconnected within the last few weeks or haven't been interconnected yet, so it's a very incomplete picture, but there is some information.

COMMISSIONER COOK: And with that, would we be better served using the data from six months ago or the data from year end?

MR. JACKSON: As you know, based on the complaints six months ago we did not have any interconnection with ASTC. We did not have -- there were a good many Mukluk places where we did not have interconnection. And there's also in -- at OTZ, there's never been a complaint on that, but at OTZ we did not

have much interconnection at that point. So for those places there's very -- there was obviously, you know, no dollars or customers or minutes.

Additionally, virtually no place has equal access yet. There's some Bristol Bay Telephone locations and one United Utilities location which do have equal access, but that's maybe a total of a handful, less than 10 certainly. And the pictures that you're going to get, you know, prior to equal access aren't really very valid either. I mean there's some information there but it doesn't give you a -- what we would think of as a true marketplace picture until after you've had equal access which is not going to take place until sometime maybe even a year from now.

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(Tape change)

Tape 2

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CHAIRMAN COTTEN: Commissioner Cook.

COMMISSIONER COOK: I don't know if I still have the floor or not, but it seems to me like a report on the data from six months ago is not going to give us a very good picture, and even the report on this data would be a little better, but not perfect. But I guess at this point I would feel more comfortable waiting until the year-end data is out so that we'll have at least the latest information and also have the -- with regard to just opening up comment at this point. I think we

ought to wait until the year-end data is out so that the other LECs will have the same perusal of that data. So I guess at this point I'd say let's just let Staff develop a report off of the year-end data and go and use that as a catalyst to determine whether we need to open up the process of changing the -- solely restriction.

CHAIRMAN COTTEN: I'm going to get some coffee, we'll take five.

(Off record - 10:14 a.m.)

(On record - 10:26 a.m.)

CHAIRMAN COTTEN: We are back on the record. I think we've exhausted Item number 3 unless somebody feels compelled to discuss it further. Are you sure?

MS. KENYON: Point of clarification, those reports from Alascom and GCI are due when their annual report is filed so we're talking about maybe March, not January.

CHAIRMAN COTTEN: Okay. All right, that completes the agenda with the exception of other business which I will ask Mr. Lohr to deliver comments he's got.

MR. LOHR: Mr. Chairman, I know that we postponed the consumer protection hearing -- or not hearing or report until next meeting, but I'd like to just briefly identify two consumer protection issues of which I'm aware which have come to my attention since the last meeting. And also then spend a little bit of time discussing the Commission's FY'98 operating budget -- authorized budget actually and the current status of the

budget and the implications of that for the regulatory cost charge system.

Chugach Electric has reported that there was an outage - electric outage that effected Whittier, Portage, Sutton, and Hope December 10th and 11th. The initial cause of the outage, at least in Hope was apparently wet snow clinging to one of the lines which tripped or burned out fuses on the line and subsequent loss of a substation. And so for varying periods of up to two days, power was out in those communities. Chugach, in accordance with our regulations has made a full written report to the Consumer Protection Section, and that letter should be circulating to you.

The other item involves a public utility, a telecommunications utility authorized by Commission certificate to serve a particular population of inmates within the state in correctional facilities. And Consumer Protection has received numerous complaints from the families of inmates that they have been threatened with blockage, and in fact, some families have had their lines blocked from receiving collect calls from family members who are incarcerated for refusing or for not timely paying charges to the utility, which may be in violation of its tariff. And Consumer Protection, Ms. Alexander, has been aggressively pursuing this to determine whether or not, in fact, these charges are in accordance with the tariff is on a preliminary basis determined that they are not, because these

family members have not yet even received bills for the amounts involved.

As a result, they haven't even received the first level if you will, financial due process for knowing what they owe and being given a reasonable opportunity to pay it, and yet, they're being told place deposits based on the average amount of your usage and do so by a date certain or we'll block your lines and they have, in fact, had some lines blocked. Because of a number of conference calls involving consumer protection, the utility has agreed to remove the blockage on the lines and to work out billing and collection arrangement with local telecom utilities such that they can get the information that they need to do billings.

And then fundamentally their problem is they commence service without an arrangement to determine the name and address of their customers. And when they realized this apparently -- this is my characterization, they panicked, started calling through a financial collection firm, which apparently is quite aggressive in its tactics, started calling the number that they new had received the collect calls and demanding payment, including deposits. What they really needed was the name and address of the recipients so they could send a bill, but they went overboard on that in my opinion, and Consumer Protection is pursuing it.

If necessary, we will come to the Commission and request a by direction letter, but at this point it appears that the

utility is trying to move back toward more appropriate customer relations in the sense of removing the blockage. I hope there will be, at minimum, an apology to the customers involved and property dealings in accordance with their tariff.

Those are the two Consumer Protection items I wanted to mention. If there's any questions or comments on those, I'd be happy to try to respond and then move on to the RCC portion.

COMMISSIONER POSEY: Mr. Lohr, things have changed since last Friday with the provider of that service to the prison industry or cooperative?

MR. LOHR: Yes. Mr. Chairman, Commissioner Posey, as a result of, I believe two things, the intervention of Consumer Protection Staff directly and the active cooperation of the Department of Corrections, Division of Institutions who is the, if you will, the vendor or the -- there is a procurement issue involved here because the Corrections Department hires or authorizes a utility to place facilities. To place the pay phones, the secure pay phones within the correctional institutions so they obviously have an interest in the utility operating in accordance with all laws, regulations, et cetera.

COMMISSIONER POSEY: This outside utility, have they had any other problems in other places where they've operated a similar service, if you know?

MR. LOHR: I don't know the answer to that, but I'll find out.

COMMISSIONER POSEY: Thanks.

COMMISSIONER COOK: Is there any reason why we're not naming what utility this is?

MR. LOHR: No. I believe it would be public record. Frankly, I'm trying to remember what it is. I can tell you the name of the intermediary and that is Security Telecom Corporation. And I believe it is -- Jeanne, do you know, is it Tele -- I don't want to get it wrong I think that would be awkward. Initially that was one of the issues is we couldn't tell whether this was being -- service was being provided or demanded -- payment demanded under an authorized certificate. We subsequently determined that it was, but it is -- I'll get the name for you, I think it's better than guessing, and I apologize.

COMMISSIONER COOK: I just wanted to be sure we weren't protecting the guilty here for some reason, so thank you.

CHAIRMAN COTTEN: Go ahead.

MR. LOHR: Thank you. The other item is to report some very good news, I believe. And that is that in the Governor's budget presentation to the legislature, that is, the FY'99 budget request by State government from the Executive Branch to the legislature, it became public that the Commission is authorized by the Division of Office -- or the Office of Management and Budget, OMB, the Governor's OMB, to immediately hire four permanent positions from existing resources. And what I'd like to do is outline what those existing resources are, how we came to obtain them and then try to discuss the -- at least,

on a preliminary basis, the implications of that for the long-run regulatory cost charge process.

The handout that you've received points out that the Commission's FY'98 budget -- or authorized budget is appropriated to us in two sources, both of which occurred during the normal -- the regular legislative session. These were adopted by the conference committees in May last year, May of '97, and signed into law by the Governor during June of 1997. The first I think we're all aware of and that is the appropriation of \$3.993 million to the Commission in Section 39 Chapter 98, SLA '97. Also at that time known as House Bill 75. It was the budget bill for the year.

The second source is also found in that same bill in Section 5, Chapter 98 SLA '97. And that is set out in detail below. That is Alaska Public Utilities Commission, the unexpended and unobligated balance of June 30th, 1997 of the Alaska Public Utilities Commission receipts account for regulatory cost charges under A.S. 42.05.254 and A.S. 42.06.286 for fiscal year 1997 is appropriated to the Alaska Public Utilities Commission for fiscal year 1998 expenditures. And I emphasize that's my emphasis in that appropriations section. That is equal to 444.7 thousand dollars. So that figure is derived from a process set out in A.S. 42.05.254, which you have attached as one of the portions of the handout.

Basically as of June 30, 1997, the Department of Administration determines the unexpended and unobligated balance

of funds remaining in our RCC account, reports that number to legislative finance and that number is the amount that is appropriated to the Commission for FY '98 operations.

So that's all, I think, very clear. What's different, I think, is the fiscally conservative, if you will, approach that we've taken toward that appropriation each year that it's happened since 1993. With exception of the carryover balance of about \$200,000 that was appropriated for implementation of the Telcomm Act two years ago, and was assessed as a special assessment and regulatory cost charge to telecommunications utilities, we have always treated this carryover balance appropriation as quite simply the wherewithal to reduce the subsequent years regulatory cost charge by an equivalent amount. And I'll come back to that point in a little bit more detail, but we have never treated it as an actual increase in the appropriations line items of our operating budget.

So that's essentially what's different, is OMB has looked at this question, they focused on the language of the bill and they said, that is your money, why are you -- in essence, I'm characterizing loosely now, why are you asking for an increment for FY'99 when you have funds that you're not spending, and they said, go forth and hire four people. And that was what they specifically authorized us to do.

The first handout is just the excerpt from that bill so it restates the Section 5 language and gives you the page on which the APUC -- the third page of the handout, line 17 is APU

operations. It's from page 18 of House Bill 75. And it just shows that the APUC operations -- the appropriation for FY'98 was 3.9927. And if you'll take it with my representation that the Governor did not veto any of that money, so this is not actually the bill after veto, but that section was unaffected by Gubernatorial action. It gets a little more interesting when you look at the actual language of the regulatory cost charge, and that's found in the next page of the handout as Section 42.05.254. I'd point to two elements there, although, I'd recommend that you possibly review that entire section at some point.

Those two sections are -- in 254(a), I'm sorry, 254(b), it says in the second sentence -- it says, if the amount the Commission expects to collect under (a) of this section and under A.S. 42.05.285(a), that's the companion pipeline legislation with respect to regulatory cost charge, exceeds the authorized budget of the Commission, the Commission shall, by order, reduce the percentages set out in (a) of this section so that the total amount of fees collected approximately equals the authorized budget of the Commission for the fiscal year. The new interpretation by OMB doesn't cause me major heartburn with this language. They can be reconciled quite easily. And that is, when the Commission is anticipating whether or not its receipts will exceed the authorized budget, it is reasonable to look at the language in 254(e) that deals with the carryover balance.

In other words, 254(e), as we'll see in a minute, explicitly authorizes the Commission to -- excuse me, authorizes the Department of Administration -- or directs them to determine the amount of carryover which is unexpended or unobligated balance, and directs the Commission to take further action. But the question then which came up at a regulatory cost charge hearing a year ago is, well, okay, what is the authorized budget of the Commission, what does that mean? And it is not a defined term in either the statute or the regulation. However, it seems clear and a common sense reading that it includes any money appropriated to the Commission during or for the fiscal year involved.

Authorized budget implies legislative oversight of the Commission's budget, which is ample. There is a budget process that occurs. And if they appropriate money to us in two different sections of the same bill, it's perfectly reasonable to deem that to be the authorized budget of the Commission, and I believe that is the reading that the Commission -- the holding the Commission reached two years ago. I think it's reasonable to inquire if we got a capital appropriation, let's say to get major new technology and the legislature identified the source of that money as the regulatory cost charge, that that would, by that appropriation approved by the Governor become part of the authorized budget of the Commission. Any attempt to equate or to limit the authorized budget as being only that amount found in the operating budget section of the budget bill is, I think,

a very tortious reading and maybe I'll give the Attorney General's office, you may wish to ask how they read that, but that's certainly my lay reading of it. So (A) is manageable.

254(e) is a little more challenging because it says, in the second sentence there, that the Department of Revenue shall collect and enforce the char -- I'm sorry, the third sentence, the Department of Administration shall identify the amount of the operating budget of the Commission that lapses into the general fund each year. The legislature may appropriate an amount equal to the lapsed amount to the Commission for its operating costs for the next fiscal year. And I believe if you look at Section 5 of House Bill 75, that's exactly what it does. The next sentence in this 254(e) is the problem area, if you will.

It says, if the legislature does so, the Commission shall reduce the total regulatory cost charge collected for that fiscal year by a comparable amount. During FY'98, the current regulatory cost charge process, you'll recall that the Commission issued a notice proposing a rate, there was a public hearing held concerning that rate and the Commission, in a previous public meeting, adopted a regulatory cost charge rate. The order promulgating that decision is pending now before you. It's circulating. What I want to do is try to just tie together what the OMB has authorized in the hiring of those four positions using the carryover balance for FY'98 of 444.7 thousand with our regulatory cost charge process.

This year there's no issue, in my opinion. We have met the strict requirements of 254(e) because albeit, inadvertently, Staff did recommend to you that you reduce the amount of the RCC to be collected during 1998 by the amount that we had in the bank, the 444.7, and I provided you a copy of Mr. Nation's attachment one to his Staff report, the right-hand side of that report, the little box down at the lower right per 3 AAC 47.040.

The second line of that, the carryover balance shows the same figure, 444.7, and so the total reduction was 487.3 that we deducted from the amount of the APUC budget, which you'll see on line 11 of the spreadsheet, the 3.992 -- 3992.7. I would note here that line 11 does not reflect the 444.7 as part of the authorized budget under the OMB interpretation were we doing this spreadsheet today, it would now show \$4,437,400 as line 11. There's no free lunch. You can't both bank the money to reduce next year's RCC rate and also hire people with it immediately, it's either or.

This year we've reduced the amount as the statute requires and we've now received authorization to hire people, how do we get from here to there? Well, one thing seems clear, I don't recommend that we adjust the approved RCC amount for '98 at all. We've gone through a hearing with that, we've determined that amount and it would certainly take, I believe, another public hearing in order to adjust that amount with due notice. It would delay implementation of the '98 rate substantially.

And I'm not here today to recommend that you delay that decision. What I want to do is point out some other factors that have changed since the public hearing on the regulatory cost charge rate, which would tend to offset, although not completely, the use of some of this 444.7 to hire people immediately. And that is two factors essentially, one is the Fairbanks utilities, the privatization of the Fairbanks utilities, which you've approved. Just last week you approved the sale of Chena from the City of Fairbanks to Aurora/Usibelli. That is the last transaction in this series which has the effect of taking virtually all of the Fairbanks utilities, public utilities out of their exemption under A.S. 42.05.711(b) municipal exemption and putting them in the private sector with Golden Valley and PTIC or with Century, as you wish, with Usibelli. So those all will start generating regulatory cost charge from their gross revenues effective at the time of closing, so the bulk of those come on line as a revenue source for us during December.

We did not think it appropriate to count that as a deliverable or as a source until the Commission had taken action. You recall that Advocacy Staff has a position in that case that conditions should be placed on the approval and it just seemed like the prudent course not to count on the money until it hatched, so to speak, and we now have that. We estimate that that would produce approximately \$154,000 this fiscal year, that is, by June 30th, 1998.

We also anticipate the likelihood that the commission will access costs to participants in several previous proceedings in front of the Commission by entities that do not pay regulatory cost charge. And therefore, may be suggested -- I would say in all likelihood will be subjected to cost allocations for their prorated share of the cost in those proceedings. This is both fairness to other people who do pay RCC and it's also -- in any case that will be your decision. But we estimate that amount to be about \$90,000 at this point. A minimum of \$90,000.

Between the two of those sources we would have \$244,000 in unanticipated RCC revenue that would occur by June 30th, 1998. If you subtract that from the 444.7, which is the carryover balance figure which was used to reduce the RCC rate, but is now authorized to be used to pay new people, you have about a shortfall of in the range of \$200,000. That is something that would need to be addressed in the long-run, however, keep in mind that the 444.7, although it's all been appropriated to the Commission for FY'98 operations, the number of positions approved for the Commission could not possibly use all of that money by June 30th.

That is, the budget for those four positions is a full year budget and there's no way that the people could be hired for a full year since we're halfway done. If they were all hired by January 1, which is also not -- it's ambitious and not

realistic, we'd have a half year worth of cost associated with those. And it might be in the range of \$70,000.

I would point out there is also appropriations to the Commissions' travel line, the 15,000 that we requested as an increment is appropriated. There is an appropriation to the contractual line to increase that. But the bottom line is, if we did not entirely expend that 444,000 by June 30th and instead expended about, say 200,000 of it, the additional amount would lapse and our budget -- I'm sorry, the additional amount would cover any under collection by RCC during that year.

So it seems to me that in the rough sense, things will balance. We're not going to be left short as of June 30th unless you take all the savings from those first six months of those positions and spend it somehow in the other lines of the budget, and we'll try to provide you more precise budget control and information. But I wanted to alert you to this for two reasons. The RCC order is pending and secondly, the Governor's budget decision Monday made all of this public.

I'll close with just one reference to workload basically. The Commission observed earlier in this meeting the heavy burden that Commission side Staff is bearing in getting end of the year orders out. I'd just point out that a lot of professional Staff people and clerical support have been working very hard to support that effort. I know I've seen Ms. Kenyon here late at night, on weekends getting things ready. There's a lot going on, we all know that.

I didn't bring the graph today you've all seen it, the legislature saw it last week and was impressed by it and I would note the virtually -- in fact, I think it was unanimous, nobody disagreed with the proposition that the Commission needs more resources now in that hearing. Every telecommunications carrier that testified supported or didn't oppose the Commission getting more resources. And I hope it will be good news to them that we're able to do so so expeditiously. Because believe me, we need them.

My emphasis during that hearing was to respond to the urging that we do things more quickly in the competitive markets. But I think it's important to reflect to you my sense that Staff is as jammed as they've ever been. We have senior Staff who normally produce well beyond the reasonable expectations of any one person, that just do it without complaining and do the extra hours it takes to do that. And I'm seeing signs of meltdown there. I'm seeing the serious risk of losing senior people to retirement, to illness, and I hate to say it, but possibly to breakdown. I mean we are that close to running at the max or beyond what is, you know, I guess in aerobic terms, it's running anaerobically in a race that's too long to finish anaerobically, and you're draining the resources.

From that point of view, it's very good news, it's a godsend that we have these positions authorized immediately. But it's not a panacea. It takes time to hire, to train, to orient new people to get them part of the system. In fact,

while that's occurring, it's probably more stressful and it's a drain on existing people to train the new people. So growth is a challenge also.

The good news is we have the people added and the bad news is we still have the overload in the meantime. We have very high expectations. We have carriers that assert every filing that they get, that the rules ought to be different than they are. And as a result, we think this is the treatment that a filing should receive. And they go into that tirade, that dialogue and legitimate they can make their case, but what I want to point out is the Staff implications of that continuous eroding process on us.

It is jamming us to the point where I don't know who I'm going to get to look at the next TA, because nobody wants to do it. And we have the junior member of the common carrier that gets saddled with that, but believe me, we're looking at reallocation of that workload to others. Meanwhile we're telling industry, we think we can do it faster, we think you should look at noticing, we're telling the legislature maybe noticing isn't needed in a competitive market; we're trying to look at ways to make things balance. And the four positions helps materially toward that in the long-run. Meanwhile, I see folks dropping like flies. I don't want to name names, but just you've noticed it and you know it, too. We're working our way, I hope, through a crises, but we're not out of it yet in terms of workload, and with that, I'll take questions or comments.

CHAIRMAN COTTEN: Sounds like we're legal.

MR. LOHR: I believe we are.

CHAIRMAN COTTEN: And just for everybody, I think -- Commissioner Posey was out of town so he may not know that the -- Commissioner Hanley and I visited with the finance committee chairs let the legislature explained this, they certainly didn't have any questions or problems with it. And so I expect that Ms. McPherren and Mr. Lohr will immediately begin the process of getting the -- what's the first step, the position descriptions?

MR. LOHR: That's correct.

CHAIRMAN COTTEN: So you're working on that already, right?

MR. LOHR: Yes.

CHAIRMAN COTTEN: So you're going to then make a suggestion for some additional or some changed language in the RCC order that will circulate to the Commission; am I correct there?

MR. LOHR: Yes, Mr. Chairman. I believe a sentence or two there just acknowledging this recent development. Since the order isn't yet out, I think it's appropriate to reflect current events there and not to go into any of this level of detail, but I did want to put this on the record. And I think if it's appropriate, that order might refer to this public meeting. In whatever fashion, I think it's important to flag the fact that the 444 which was shown in the spreadsheet as available to reduce next year's RCC will not entirely go for that purpose. I

think in the spirit of full disclosure to the entities that pay the RCC, that's appropriate and necessary.

CHAIRMAN COTTEN: Right. Are there other questions or comments? Mr. Cook.

COMMISSIONER COOK: Thank you. With regard to the four positions that have been authorized, I'm understanding that it's three clerks and an economist?

MR. LOHR: That's my understanding also, Commissioner.

COMMISSIONER COOK: How difficult would it be to change the economist to a tariff analyst?

MR. LOHR: I don't know how difficult it would be at this point since the particular position is authorized. I think it would involve the detailed portion of the budget. I certainly would not represent that that's impossible to do. However, when we provided the opportunity for department heads to nominate needs, tariff analyst was not on the list.

It was not a position requested by the tariff section. It is something that we talked about and I believe it was a borderline case. Had we assumed that there'd be no relief, either administratively from the Commission or the legislature on noticing, then it might have been a candidate on the list. However, we do believe that through the recommendation we've made on refuse market noticing, that's now a proposed regulations on the so-called interim competitive market LEC regs.

We're making progress there. And I have to tell you at the hearing Friday, Representative Porter on the suggestion from me that maybe noticing could be abolished outright in competitive markets asked all members of the industry present, is there any objection to that and there wasn't. And now that does not factor in the consuming public, but I think it's fair to point out that they rarely choose to comment on our issue that's noticed. Most -- virtually all the comments come from fellow members of industry.

CHAIRMAN COTTEN: They were just so darn happy that they could all agree on one thing anyway. It seemed to be not much else to celebrate as far as unanimity of opinions. I warned them that they might be looking at a Christmas tree, if you could get one thing everybody agrees on that means you have to have a bill and then the fight starts as to what else goes in it. But they're all familiar with that potential risk as well.

COMMISSIONER COOK: As far as switching from the tariff analyst -- from the economist to the tariff analyst, I think everyone here knows I've not been very strongly in favor of the economist position. And although there's a possibility that notice requirements might be changed, at this juncture they're still there. And it seems to me that, you know, at a minimum, in the short-term, we need relief for where we're at right now. And I guess I would be in favor of switching this from an economist, because truthfully I don't know what an economist will do for us in the short-term. Whereas I think we all see

the burden of just pure paper going through tariffs and across our desks as well.

I don't know how -- I guess I'm testing the waters with other members of the Commission on what their druthers would be.

CHAIRMAN COTTEN: Well, we already kind of made a decision, so you could obviously reverse it if it's the will of the Commission. So if people are interested in changing direction that's -- I'd say it's available.

COMMISSIONER COOK: I'm sorry.

CHAIRMAN COTTEN: Go ahead.

COMMISSIONER COOK: I didn't -- that was one point of confusion I had. I thought that we asked for three clerks, an economist, a tariff analyst and a hearing officer.

CHAIRMAN COTTEN: No UFA.

COMMISSIONER COOK: UFA?

CHAIRMAN COTTEN: Utility finance analyst.

COMMISSIONER COOK: I'm sorry, that's what I was referring to when I said tariff -- insert UFA everywhere I said tariff analyst.

CHAIRMAN COTTEN: Yeah, we did ask for one of those and we may yet still, it's a matter of timing. That's the other recommendation from -- and again, it's the will of the Commission here, so I'm not trying to assert that there's a deal that's done that can't be changed. But the fact is we do want another clerk and we still do want the UFA. And the suggestion was to put these people on the track -- OMB said, you know,

don't take them all at once. So -- and as far as a hearing officer's concerned, you know, that isn't a new position, so that doesn't take up one of those four. It's a shift from Department of Law over to Commerce.

Please proceed.

COMMISSIONER COOK: Just to finish my thought now that I'm on the right thought. You know, I think we all agreed on those positions, and I don't know if I agreed on an economist's position or not, I'd have to go back and read the record. But that was as a bundle. At this point we're picking, or at least, having the ability to pick four positions and I agree with the three clerk positions. I'm just suggesting at this juncture, we'd be better served with a UFA rather than an economist, and that's what I'm trying to test the waters and see what the druthers of the Commission would be.

CHAIRMAN COTTEN: Commissioner.

COMMISSIONER POSEY: Well, I'd like to address that, Commissioner Cook, as well as some of the other things that Executive Director Lohr brought up. And that's, you know, the amount of work that's going through the system. I still say it's coming in by waves and it still goes out by the same size pipe, and a lot of our pipes are, let's say, aren't fiber yet. So we're not putting it out as fast as we'd probably like to and I sympathize with them about the amount of work that it takes to get something out of here.

And we all, especially the Commissioners on our side are not exactly aware of all that it takes to get something in and get something out, including tariffs. So I'm willing to go along the line where Commissioner Ornquist is and some of your Staff in simplifying as many things as we can in the process in order to eliminate work rather than to continue to create work for tariff analysts. Hopefully we would be going away from all the filings as long as the Commission picks up some of its burden in letting the consumers know that we're in a field of change, transition and that they have choices that they can make, but also that they have access to information that's not necessarily by us printing out and publishing tariffs.

Finding other means to make sure that they truly understand that there is some change and that there are ways to find that information and that we will see that they get that information. And in working with the utilities we can do that expeditiously, then let's work at work process redesign to make that happen, because I would like to think that we can go the way that some of the areas in the Lower 48, the tariffs go out the door for a lot of filings as long as you meet the requirements of informing the public that that's what's going down, that the prices are always falling, which won't always happen, the consumers won't care. Getting the price of the bargain is part of it. So I would prefer that we look at that direction in simplifying some of the things we do and recognize as we adjudicate things making things simple is the way we

should do it because every time we take an action, regardless from trash to telephone, electricity to gas, it adds a burden on the Staff if we don't truly look at what those impacts really are.

And so I'd like to go that way and I think clerks are understandable. If the Commission wants to take a look at other ways to take a look at the hiring, then that's fine, but I think that a lot of the work is -- the paperwork that needs to get out of the way and I'm sure Staff analysts would like to have some clerks to work with them sometimes in just sheer movement of things. Update readers for the computers, whatever it takes to get more data out in order to keep the complete reproduction of tons and tons of papers, which is about probably 40 percent of the burden up there, as well, as just moving it around.

CHAIRMAN COTTEN: Just a reminder. On the UFA position, that was one of the positions the Commission approved and at this time, I believe four UFA people on board. And there is one vacancy and I believe we're in the process of recruiting for the vacancy at the moment; is that correct?

MR. NATION: Yes, that's true.

CHAIRMAN COTTEN: So anyway, that's just where we are as far as the status on personnel involved in the utility finance analysts.

I think the reason I supported an economist in the first place was the fact that we are facing more and more competitive issues and some -- a couple of big R dockets have been opened